# Largest Captive Finance Companies (a)

Ranked by Total Capital Funds

As of Dec. 31, 1982 or Nearest Fiscal Year-End

(000's Omitted in $ Figures)

| Captive Rank 12/31/82 | | ——Capital Funds—— 12/31/82 | 12/31/81 | Captive Rank 12/31/81 | Gain in Rank |
|---|---|---|---|---|---|
| 1 | General Motors Acceptance Corp., Detroit | 5,989,500 | 5,408,300 | 1 | |
| 2 | Ford Motor Credit Co., Dearborn, Mich. | 2,921,100 | 2,840,000 | 2 | |
| 3 | Sears Roebuck Acceptance Corp., Wilmington, Del. | 1,889,613 | 1,687,770 | 3 | |
| 4 | International Harvester Credit Corp., Chicago (b) | 906,991 | 916,640 | 4 | |
| 5 | Chrysler Financial Corp., Troy, Mich. | 899,754 | 894,207 | 5 | |
| 6 | Montgomery Ward Credit Corp., Wilmington, Del. | 832,988 | 831,066 | 6 | |
| 7 | American Express Credit Corp., Wilmington, Del. | 646,000 | 604,000 | 7 | |
| 8 | J.C. Penney Financial Corp., Wilmington, Del. (b) | 613,999 | 563,342 | 8 | |
| 9 | John Deere Credit Co., Reno, Nev. (b) | 542,489 | 447,031 | 9 | |
| 10 | J.I. Case Credit Corp., Racine, Wis. | 395,593 | 382,582 | 10 | |
| 11 | Gulf Oil Financial Corp., Houston | 284,400 | 192,000 | 18 | + 7 |
| 12 | Allis-Chalmers Credit Corp., West Allis, Wis. | 274,617 | 279,571 | 11 | |
| 13 | Mobil Oil Credit Corp., Kansas City, Mo. | 248,639 | 253,941 | 13 | |
| 14 | Macy Credit Corp.,New York (b) | 236,245 | 218,566 | 15 | + 1 |
| 15 | Clark Equipment Credit Corp., Buchanan, Mich. | 234,891 | 245,035 | 14 | |
| 16 | Fruehauf Finance Co., Detroit | 226,617 | 212,385 | 17 | + 1 |
| 17 | Mack Financial Corp., Allentown, Pa. | 223,825 | 218,255 | 16 | |
| 18 | Honeywell Finance, Inc., Minneapolis | 185,657 | 181,031 | 20 | + 2 |
| 19 | Sunoco Credit Corp., Wilmington, Del. | 151,038 | 150,402 | 21 | + 2 |
| 20 | Cessna Finance Corp., Wichita, Kan. (b) | 122,263 | 123,114 | 23 | + 3 |
| 21 | Carter Hawley Hale Credit Corp., Los Angeles(b) | 114,203 | 103,500 | 26 | +5 |
| 22 | May Department Stores Credit Co., Reno, Nev.(b) | 113,795 | 102,494 | 27 | +5 |
| 23 | UT Credit Corp., Hartford, Conn. | 112,644 | 93,472 | 30 | + 7 |
| 24 | ITT Credit Corp., East Meadow, N.Y. | 106,511 | 77,640 | 31 | + 7 |
| 25 | Union Oil Credit Corp., Los Angeles | 105,162 | 121,300 | 24 | |
| 26 | Paccar Financial Corp., Bellevue, Wash. | 102,513 | ..... | ... | |
| 27 | Carrier Distribution Credit Corp., Syracuse, N.Y. | 66,067 | 56,973 | 35 | +8 |
| 28 | Associated Dry Goods Credit Corp., New York(b) | 63,246 | 58,109 | 34 | +6 |
| 29 | Koehring Finance Corp., Brookfield, Wis. | 56,872 | 53,783 | 36 | + 7 |
| 30 | Allied Stores Credit Corp., Boise, Idaho (b) | 55,602 | 46,674 | 40 | +10 |
| 31 | FMC Finance Corp., Chicago | 55,413 | 73,949 | 32 | + 1 |
| 32 | Ingersoll-Rand Financial Corp., Montvale, N.J. | 53,432 | 48,509 | 39 | +7 |
| 33 | Amoco Credit Corp., Chicago | 43,704 | 93,545 | 29 | |
| 34 | Budd Financial Corp., Troy, Mich. (b) | 39,464 | 36,887 | 42 | + 8 |
| 35 | Agristor Credit Corp., Elm Grove, Wis. | 38,301 | 34,594 | 43 | + 8 |
| 36 | Transway Finance Co., Savannah, Ga. | 36,373 | 32,455 | 44 | + 8 |
| 37 | Genesco Financial Corp., Nashville, Tenn. (b) | 35,580 | 36,939 | 41 | +4 |
| 38 | Eaton Credit Corp., Cleveland | 29,872 | 49,326 | 38 | |

(a)—Companies whose principal activity consists of financing purchase of products or services sold by the parent company or its subsidiary. (b)—Fiscal year ending on date other than 12/31. (c)—Current figures are for a date different from preceding year. (x)—Based on revised data. Rank company would have had if revised data had been available. (R)—Revised. (N.A.) —Not available.

# Largest Finance Companies Below Top 100

As of Dec. 31, 1982 or Nearest Fiscal Year-End

(000's Omitted in $ Figures)

| Rank 12/31/82 | | —Total Capital Funds— 12/31/82 | 12/31/81 | Capital Funds Rank 12/31/81 | Gain in Rank |
|---|---|---|---|---|---|
| 101 | Franklin Discount Co., Toccoa, Ga. (c) | 17,174 | 14,659 | 110 | + 9 |
| 102 | AmSouth Financial Corp., Birmingham, Ala.(g) | 15,413 | 14,475 | 111 | + 9 |
| 103 | Public Finance Service, Inc., Bala Cynwyd, Pa. | 15,329 | 15,442 | 105 | + 2 |
| 104 | NCNB Financial Services, Inc., Charlotte, N.C.(g) | 15,306 | 21,249 | 93 | |
| 105 | Century Factors, Inc., New York | 15,000 | 14,848 | 107 | + 2 |
| 106 | Landmark Fin'l Services, Inc., Silver Spring, Md.(g) | 13,310 | 11,253 | 117 | +11 |
| 107 | Community Credit Co., Edina, Minn. | 13,209 | 15,430 | 106 | |
| 108 | Personal Finance Co, Chicago Heights, Ill. (b) | 13,106 | 13,290 | 114 | + 6 |
| 109 | BVA Credit Corp., Richmond (g) | 10,716 | 13,687 | 113 | + 4 |
| 110 | American Fletcher Fin'l Services, Inc., Marion, Ind.(g) | 10,263 | 8,980 | 121 | +11 |
| 111 | Security Mutual Finance Corp., Decatur, Ala. | 10,091 | 8,856 | 122 | +11 |
| 112 | Family Credit Services, Inc., Tucker Ga.(g) | 8,686 | 6,094 | 129 | +17 |
| 113 | Gulfco Investment Group, Inc., Marksville, La.(b) | 8,162 | 9,132 | 120 | +7 |
| 114 | Gibraltar Corp. of America, New York(g) | 7,360 | 7,325 | 124 | +10 |
| 115 | Pioneer Financial Services, Inc., Kansas City, Mo. (b) | 7,196 | 7,269 | 125 | +10 |
| 116 | Bancorp Finance of Hawaii, Inc., Honolulu(g) | 7,105 | ..... | ... | |
| 117 | First Union Commercial Corp., Charlotte, N.C.(g) | 6,707 | 3,681 | 136 | +19 |
| 118 | Peoples Loan & Finance Corp., Marietta, Ga. | 6,694 | 6,209 | 128 | +10 |
| 119 | Morris Plan Co., Cedar Rapids, Iowa(b,g) | 6,673 | 6,220 | 127 | + 8 |
| 120 | Atlantic Credit Corp., Elizabeth City, N.C.(g) | 6,254 | 5,653 | 130 | +10 |
| 121 | Carson Investment Co., Wellsboro, Pa. (b) | 5,354 | 5,204 | 132 | +11 |
| 122 | Mechanics Finance Co., Jersey City, N.J. | 5,246 | 4,843 | 134 | +12 |
| 123 | General Innkeeping Acceptance Cp., Memphis, Tenn. | 5,173 | 5,372 | 131 | +8 |
| 124 | Friendly Finance, Inc., Paducah, Ky.(g) | 4,120 | 4,190 | 135 | +11 |
| 125 | Pioneer Credit Corp , Hartford, Conn.(g) | 3,687 | 3,323 | 137 | +12 |
| 126 | Pioneer Credit Co., Cleveland, Tenn. | 3,205 | ..... | ... | |
| 127 | National City Credit Corp., Cleveland(g) | 1,718 | 1,248 | 140 | +13 |
| 128 | CCB Business Credit, Inc., Pasadena, Calif.(b,g) | 277 | ..... | ... | |
| 129 | Colonial Business Finance Corp., Waterbury, Conn.(g) | 1 | 1 | ... | |

(b)—Fiscal year ending on date other than 12/31. (c)—Current figures are for a date different than previous year. (g)—A subsidiary of a domestic organization. N.A.—Not available.

# Largest Independent or Affiliated Finance Companies (a)

Ranked by Total Capital Funds

As of Dec. 31, 1982 or Nearest Fiscal Year-End

(000's Omitted in $ Figures)

| Independent Rank 12/31/82 | | —Total Capital— 12/31/82 | 12/31/81 | Indpnd't Rank 12/31/81 | Gain in Rank |
|---|---|---|---|---|---|
| 1 | General Electric Credit Corp., Stamford, Conn. | 1,753,165 | 1,553,438 | 2 | +1 |
| 2 | Household Finance Corp., Prospect Heights, Ill. | 1,667,405 | 1,662,100 | 1 | |
| 3 | C.I.T. Financial Corp., New York | 1,429,651 | 1,428,975 | 3 | |
| 4 | Associates Corp. of No. America, New York (b) | 1,126,820 | 1,113,479 | 4 | |
| 5 | Commercial Credit Co., Baltimore | 1,071,900 | 1,028,300 | 6 | + 1 |
| 6 | Avco Fin'l Services, Inc., Newport Beach, Calif.(b) | 980,110 | 979,505 | 7 | +1 |
| 7 | Beneficial Corp., Wilmington, Del. | 960,300 | 1,053,500 | 5 | |
| 8 | ITT Financial Corp., St. Louis, Mo. | 726,552 | 686,492 | 8 | |
| 9 | Barclays American Corp., Charlotte, N.C. | 630,424 | 622,088 | 9 | |
| 10 | Walter E. Heller International Corp., Chicago | 558,895 | 575,912 | 10 | |
| 11 | E.F. Hutton Credit Corp., Greenwich, Conn. | 558,818 | ..... | ... | |
| 12 | Borg-Warner Acceptance Corp., Chicago | 495,300 | 425,200 | 12 | |
| 13 | Westinghouse Credit Corp., Pittsburgh | 484,613 | 454,365 | 11 | |
| 14 | U.S. Bancorp Financial Inc., Portland, Ore.(g) | 408,000 | 17,652 | 57 | +43 |
| 15 | Transamerica Financial Corp., Los Angeles | 399,974 | 376,388 | 14 | |
| 16 | Manuf Han Cons Serv, Inc, Huntingdon Valley, Pa.(g) | 339,522 | 234,192 | 16 | |
| 17 | FinanceAmerica Corp., Allentown, Pa.(g) | 299,421 | 292,025 | 15 | |
| 18 | Citicorp Person-to-Person, Inc., St. Louis, Mo.(g) | 286,464 | ..... | ... | |
| 19 | Dial Corp., Des Moines, Iowa(g) | 253,583 | 194,478 | 18 | |
| 20 | Financial Corp. of America, Los Angeles | 240,239 | 133,079 | 21 | + 1 |
| 21 | Blazer Financial Services, Miami | 225,336 | 172,428 | 20 | |
| 22 | Credithrift Financial, Inc., Evansville, Ind. | 216,025 | 198,596 | 17 | |
| 23 | General Finance Corp., Evanston, Ill. | 179,229 | 175,902 | 19 | |
| 24 | Commercial Alliance Corp., New York (b) | 135,968 | 102,364 | 22 | |
| 25 | Northwest Acceptance Corp., Portland, Ore.(b,g) | 101,022 | 92,280 | 24 | |
| 26 | USLIFE Credit Corp., Schaumburg, Ill. | 99,990 | 96,955 | 23 | |
| 27 | Leucadia, Inc., New York | 96,618 | 74,220 | 27 | |
| 28 | USI Credit Corp., New York | 82,089 | 79,940 | 26 | |
| 29 | Appliance Buyers Cred Cp, Benton Harbor, Mich. | 77,935 | 71,908 | ... | |
| 30 | Midland-Guardian Co., Cincinnati | 72,738 | 73,215 | 28 | |
| 31 | Fleet Financial Corp., Providence, R.I.(g) | 72,034 | 64,066 | 31 | |
| 32 | TranSouth Financial Corp., Florence, S.C.(g) | 70,327 | 65,717 | 30 | |
| 33 | Foothill Group, Inc., Los Angeles | 63,261 | 71,178 | 29 | |
| 34 | Standard Financial Corp., New York(g) | 56,304 | 44,386 | 35 | + 1 |
| 35 | Government Employees Financial Corp., Denver | 52,826 | 55,266 | 33 | |
| 36 | Congress Financial Corp., New York(g) | 50,184 | 47,104 | 34 | |
| 37 | LLC Corp., St. Louis, Mo. (b) | 49,365 | 62,030 | 32 | |
| 38 | Mellon Financial Services Corp., Oak Brook, Ill.(g) | 48,719 | 39,704 | 37 | |
| 39 | Firstmark Financial Corp. Consolidated, Indianapolis | 41,798 | 40,194 | 36 | |
| 40 | Fidelity Acceptance Corp., Minneapolis (b) | 38,538 | 34,855 | 39 | |
| 41 | Deutsche Credit Corp., Bannockburn, Ill. | 37,974 | 34,923 | 38 | |
| 42 | Gulf Finance Corp., Atlanta(g) | 34,834 | 28,680 | 42 | |
| 43 | Kentucky Finance Co., Inc., Lexington | 34,716 | 32,711 | 40 | |
| 44 | Allied Finance Co., Dallas (b) | 33,879 | 32,345 | 41 | |
| 45 | CBT Financial Corp., Hartford, Conn.(g) | 27,935 | 28,372 | 43 | |
| 46 | Rosenthal & Rosenthal, Inc., New York | 27,035 | 27,553 | 44 | |
| 47 | Century Acceptance Corp., Kansas City, Mo. | 26,775 | 21,291 | 48 | + 1 |
| 48 | First Manuf'd Housing Credit Cp., Albany, NY(g) | 26,513 | 11,318 | 72 | +24 |
| 49 | Signal Financial Corp., Pittsburgh(g) | 24,014 | 23,845 | 46 | |
| 50 | Maryland Nat'l Ind'l Finance Corp., Towson(g) | 22,916 | 20,278 | 50 | |
| 51 | Oxford Finance Companies, Inc., Philadelphia | 20,993 | 19,907 | 53 | + 2 |
| 52 | Rainier Credit Co., Seattle(g) | 20,968 | 17,162 | 58 | + 6 |
| 53 | Heights Finance Corp., Peoria, Ill. (b) | 20,953 | 19,923 | 52 | |
| 54 | Sunamerica Corp., Cleveland(g) | 20,560 | ..... | ... | |
| 55 | Provident Financial Corp., Columbia, S.C.(g) | 20,385 | 18,215 | 55 | |
| 56 | First Wisconsin Financial Corp., Milwaukee(g) | 20,040 | 20,018 | 51 | |
| 57 | Security Finance Corp., Spartanburg, S.C. | 19,505 | 13,713 | 68 | +11 |
| 58 | Slavenburg Corp., New York | 19,095 | 17,740 | 56 | |
| 59 | Wisconsin Finance Corp., Shawano | 18,025 | 19,406 | 54 | |
| 60 | Horrigan American, Inc., Reading, Pa. | 17,550 | 16,278 | 60 | |
| 61 | Commonwealth Financial Corp., Walnut Creek, Calif. | 17,270 | 16,469 | 59 | |
| 62 | CMC Finance Group, Inc., Charlotte, N.C.(g) | 17,215 | 14,766 | 64 | + 2 |
| 63 | Franklin Discount Co., Toccoa, Ga. (c) | 17,174 | 14,659 | 66 | + 3 |
| 64 | AmSouth Financial Corp., Birmingham, Ala.(g) | 15,413 | 14,475 | 67 | + 3 |
| 65 | Public Finance Service, Inc., Bala Cynwyd, Pa. | 15,329 | 15,442 | 61 | |
| 66 | NCNB Financial Services, Inc., Charlotte, N.C.(g) | 15,306 | 21,249 | 49 | |
| 67 | Century Factors, Inc., New York | 15,000 | 14,848 | 63 | |
| 68 | Landmark Fin'l Services, Inc., Silver Spring, Md.(g) | 13,310 | 11,253 | 73 | +5 |
| 69 | Community Credit Co., Edina, Minn. | 13,209 | 15,430 | 62 | |
| 70 | Personal Finance Co, Chicago Heights, Ill. (b) | 13,106 | 13,290 | 70 | |
| 71 | BVA Credit Corp., Richmond, (g) | 10,716 | 13,687 | 69 | |
| 72 | American Fletcher Fin'l Serv., Inc, Marion, Ind.(g) | 10,263 | 8,980 | 77 | +5 |
| 73 | Security Mutual Finance Corp., Decatur, Ala. | 10,091 | 8,856 | 78 | + 5 |
| 74 | Family Credit Services, Inc., Tucker Ga.(g) | 8,686 | 6,094 | 85 | +11 |
| 75 | Gulfco Investment Group, Inc., Marksville, La.(b) | 8,162 | 9,132 | 76 | +1 |
| 76 | Gibraltar Corp. of America, New York(g) | 7,360 | 7,325 | 80 | + 4 |
| 77 | Pioneer Financial Services, Inc., Kansas City, Mo.(b) | 7,196 | 7,269 | 81 | +4 |
| 78 | Bancorp Finance of Hawaii, Inc., Honolulu(g) | 7,105 | ..... | ... | |
| 79 | First Union Commercial Corp., Charlotte, N.C.(g) | 6,707 | 3,681 | 92 | +13 |
| 80 | Peoples Loan & Finance Corp., Marietta, Ga. | 6,694 | 6,209 | 84 | + 4 |
| 81 | Morris Plan Co., Cedar Rapids, Iowa(b,g) | 6,673 | 6,220 | 83 | + 2 |
| 82 | Atlantic Credit Corp., Elizabeth City, N.C.(g) | 6,254 | 5,653 | 86 | + 4 |
| 83 | Carson Investment Co., Wellsboro, Pa. (b) | 5,354 | 5,204 | 88 | + 5 |
| 84 | Mechanics Finance Co., Jersey City, N.J. | 5,246 | 4,843 | 90 | 6 |
| 85 | General Innkeeping Accept. Cp., Memphis, Tenn. | 5,173 | 5,372 | 87 | +2 |
| 86 | Friendly Finance, Inc., Paducah, Ky.(g) | 4,120 | 4,190 | 91 | + 5 |
| 87 | Pioneer Credit Corp., Hartford, Conn.(g) | 3,687 | 3,323 | 93 | + 6 |
| 88 | Pioneer Credit Co., Cleveland, Tenn. | 3,205 | ..... | ... | |
| 89 | National City Credit Corp., Cleveland(g) | 1,718 | 1,248 | 96 | + 7 |

(a)—The 100 largest finance companies exclusive of the captive finance companies. (b)—Fiscal year ending on date other than Dec. 31. (c)—Current figures are for different from previous year. (g)—A subsidiary of a domestic banking organization. Based on revised data. Rank company would have had if revised data had been available. R—Revised. N.A.—Not available.

# Bank-Related Finance Companies

## With Capital Funds Greater Than $4 Million

| Rank (a) 12/31/82 | (000's Omitted in $ Figures) | Total Capital Funds 12/31/82 | Total Capital Funds 12/31/81 | Rank (a) 12/31/81 | Gain in Rank | Parent |
|---|---|---|---|---|---|---|
| 23* | Security Pacific Finance Group, San Diego, Calif. | 482,000 | 382,354 | 23 | | Security Pacific Corp., Los Angeles |
| 23 | U.S. Bancorp Financial Inc., Portland, Ore. | 408,000 | 17,652 | 101 | +78 | U.S. Bancorp, Portland, Ore. |
| 26 | Manuf. Hanover Cons Serv, Inc, Huntingdon Valley, Pa. | 339,522 | 234,192 | 30 | + 4 | Manufacturers Hanover Corp., New York |
| 27 | FinanceAmerica Corp., Allentown, Pa. | 299,421 | 292,025 | 25 | | BankAmerica Corp., San Francisco |
| 28 | Citicorp Person-to-Person, Inc., St. Louis, Mo. | 286,464 | ..... | ... | | Citicorp, New York |
| 31 | Dial Corp., Des Moines, Iowa | 253,583 | 194,478 | 35 | + 4 | Northwest Bancorporation, Minneapolis |
| 51 | Northwest Acceptance Corp., Portland, Ore.(b) | 101,022 | 92,280 | 54 | +3 | Orbanco Financial Services Corp., Portland, Ore. |
| 57 | Fleet Financial Corp., Provmdence, R.I. | 72,034 | 64,066 | 64 | + 7 | Fleet Financial Group, Providence, R.I. |
| 58 | TranSouth Financial Corp., Florence, S.C. | 70,327 | 65,717 | 63 | + 5 | NCNB Corp., Charlotte, N.C. |
| 63 | Standard Financial Corp., New York | 56,304 | 44,386 | 75 | +12 | Sterling Bancorp., New York |
| 68 | Congress Financial Corp., New York | 50,184 | 47,1XZ | 73 | + 5 | CoreStates Financial Corp., Philadelphia |
| 70 | Mellon Financial Services Corp., Oak Brook, Ill. | 48,719 | 39,704 | 77 | +7 | Mellon National Corp., Pittsburgh |
| 79 | Gulf Finance Corp., Atlanta | 34,834 | 28,680 | 86 | + 7 | First Atlanta Corp. |
| 83 | CBT Financial Corp., Hartford, Conn. | 27,935 | 28,372 | 87 | + 4 | CBT Corporation, Hartford, Conn. |
| 86 | First Manufactured Housing Credit Corp., Albany, N.Y. | 26,513 | 11,318 | 116 | +30 | First Maryland Bancorp., Baltimore |
| 87 | Signal Financial Corp., Pittsburgh | 24,014 | 23,845 | 90 | + 3 | CoreStates Financial Corp., Philadelphia |
| 88 | Maryland National Industrial Finance Corp., Towson | 22,916 | 20,278 | 94 | + 6 | Maryland National Corp., Baltimore |
| 90 | Rainier Credit Co., Seattle | 20,968 | 17,162 | 102 | +12 | Rainier Bancorporation, Seattle |
| 92 | Sunamerica Corp., Cleveland | 20,560 | ..... | ... | | Chemical New York Corp. |
| 93 | Provident Financial Corp., Columbia, S.C. | 20,385 | 18,215 | 99 | + 6 | South Carolina National Corp., Columbia |
| 94 | First Wisconsin Financial Corp., Milwaukee | 20,040 | 20,018 | 95 | + 1 | First Wisconsin Corp., Milwaukee |
| 100 | CMC Finance Group, Inc., Charlotte, N.C. | 17,215 | 14,766 | 108 | + 8 | First Railroad & Banking Co., Augusta |
| 102 | AmSouth Financial Corp., Birmingham, Ala. | 15,413 | 14,475 | 111 | + 9 | AmSouth Bancorporation, Birmingham, Ala. |
| 104 | NCNB Financial Services, Inc., Charlotte, N.C. | 15,306 | 21,249 | 93 | | NCNB Corp., Charlotte, N.C. |
| 106 | Landmark Fin'l Services, Inc., Silver Spring, Md. | 13,310 | 11,253 | 117 | +11 | Union Trust Bancorp., Baltimore |
| 109 | BVA Credit Corp., Richmond | 10,716 | 13,687 | 113 | + 4 | Bank of Virginia Co., Richmond |
| 110 | American Fletcher Financial Services, Inc., Marion, Ind. | 10,263 | 8,980 | 121 | +11 | American Fletcher Corp., Indianapolis |
| 112 | Family Credit Services, Inc., Tucker Ga. | 8,686 | 6,094 | 129 | +97 | Citizens & Southern Georgia Corp., Atlanta |
| 114 | Gibzaltar Corp. of America, New York | 7,360 | 7,325 | 124 | +10 | United Jersey Banks, Princeton, N.J. |
| 116 | Bancorp Finance of Hawaii, Inc., Honolulu | 71105 | .....o... | | | Bancorp Hawaii, Inc., Honolulu |
| 117 | First Union Cmmercian Cosp., Charlotte, N.C. | 6,707 | 3,681 | 136 | +19 | First Union Corp., Charlotte, N.C. |
| 119 | Morris Plan Co., Cedar Rapids, Iowa (b) | 6,673 | 6,220 | 127 | + 8 | MorAmerica Financial Corp., Cedar Rapids, Iowa, |
| 120 | Atlantic Credit Corp., Elizabeth City, N.C. | 6,254 | 5,653 | 130 | +10 | Virginia National Bankshares, Norfolk |
| 124 | Friendly Finance, Inc., Paducah, Ky. | 4,120 | 4,190 | 135 | | Third National Corp., Nashville, Tenn. |

*-Data were received too late for incorporation into the listing of the 100 Largest Finance Companies. Rank shown is the rank the company would have had, if the data were received on time.

# A Breakdown of Finance Company Receivables by Type (a)

(000's Omitted in $ Figures)

### CONSUMER—RETAIL AND REAL ESTATE

| | | |
|---|---|---|
| 1 | General Motors Acceptance Corp., Detroit | 35,622,800 |
| 2 | Ford Motor Credit Co., Dearborn, Mich | 10,978,800 |
| 3 | Sears Roebuck Acceptance Corp., Wilmington, Del | 7,302,641 |
| 4 | Citicorp Person-to-Person, Inc., St. Louis (g) | 6,175,712 |
| 5 | General Electric Credit Corp., Stamford, Conn | 4,266,992 |
| 6 | Beneficial Corp., Wilmington, Del | 3,995,300 |
| 7 | Household Finance Corp., Prospect Heights, Ill | 3,625,041 |
| 8 | American Express Credit Corp., Wilmington, Del | 3,418,000 |
| 9 | Montgomery Ward Credit Corp., Wilmington, Del | 3,126,649 |
| 10 | Avco Financial Services, Inc., Newport Beach, Calif | 2,320,468 |

### COMMERCIAL—INDUSTRIAL

| | | |
|---|---|---|
| 1 | General Motors Acceptance Corp., Detroit | 12,778,600 |
| 2 | Ford Motor Credit Co., Dearborn, Mich | 4,088,500 |
| 3 | International Harvester Credit Corp., Chicago | 3,565,977 |
| 4 | General Electric Credit Corp., Stamford, Conn | 3,422,355 |
| 5 | C.I.T. Financial Corp., New York | 2,774,682 |
| 6 | Walter E. Heller International Corp., Chicago | 2,233,451 |
| 7 | Westinghouse Credit Corp., Pittsburgh | 2,110,103 |
| 8 | Associates Corp. of No. America, New York | 2,091,622 |
| 9 | Borg-Warner Acceptance Corp., Chicago | 1,633,200 |
| 10 | ITT Financial Corp., St. Louis, Mo | 1,606,827 |

### INDUSTRIAL & EQUIPMENT LEASING

| | | |
|---|---|---|
| 1 | General Electric Credit Corp., Stamford, Conn | 3,396,992 |
| 2 | Commercial Credit Co., Baltimore | 946,100 |
| 3 | McDonnell Douglas Finance Corp., Long Beach, Calif | 720,284 |
| 4 | Greyhound Leasing & Financial Corp., Phoenix, Ariz | 646,325 |
| 5 | UT Credit Corp., Hartford, Conn | 497,564 |
| 6 | C.I.T. Financial Corp., New York | 480,049 |
| 7 | American Express Leasing Corp., New York | 474,000 |
| 8 | Borg-Warner Acceptance Corp., Chicago | 432,000 |
| 9 | Equico Lessors, Inc., Minneapolis | 395,877 |
| 10 | E.F. Hutton Credit Corp., Greenwich, Conn | 363,093 |

### FACTORING VOLUME

| | | |
|---|---|---|
| 1 | Walter E. Heller International Corp., Chicago | 6,850,662 |
| 2 | C.I.T. Financial Corp., New York | 4,603,775 |
| 3 | Barclays American Corp., Charlotte, N.C | 1,476,932 |
| 4 | Associates Corp. of No. America, New York | 1,005,516 |
| 5 | Congress Financial Corp., New York(g) | 701,137 |
| 6 | Commercial Credit Co., Baltimore | 673,000 |
| 7 | Rosenthal & Rosenthal, Inc., New York | 529,000 |
| 8 | NCNB Financial Services, Inc., Charlotte, N.C.(g) | 459,852 |
| 9 | Clark Equipment Credit Corp., Buchanan, Mich | 451,873 |
| 10 | Fleet Financial Corp., Providence, R.I.(g) | 400,292 |

(a)—A breakdown of net receivables into three operational types: consumer-retail and real estate; commercial-industrial; and industrial & equipment leasing. Factoring receivables or "volume" are reported gross. For some companies, it is not possible to net out unearned discount and loan loss reserves by type. For these companies, the sum of the net receivables shown here, may exceed total net receivables reported in the listing of the "100 Largest Finance Companies." For a detailed definition of the four operation types, see the story which begins on page one.
(g)—Related to a domestic banking company.

# The Finance Company Statistics

The American Banker's study of the finance industry is presented in six tables.

• The main listing consists of the 100 largest firms in order of their total capital funds as of Dec. 31, 1982. Capital funds for 1981 are also shown, along with the 1981 rank and gains in rank. The other 1981 data shown in this table are capital and surplus (stockholders' equity); net receivables; total assets; net income; deferred income; gross receivables acquired; and bank credit lines available plus those in use.

• One listing shows the 29 companies ranked below the top 100 firms. This table shows the capital funds for the last two years as well as the firms' rankings in 1981 and 1982.

• Another table lists the 38 captive finance companies in the survey in order of their capital funds.

• A separate table lists the 89 independent or affiliated finance companies in the survey in order of their capital funds.

• There is a listing of all bank-related finance companies with capital funds of $4 million or more. Included in this table is the name of the parent banking company.

• For the third consecutive year, the American Banker presents a table which breaks down the net receivables outstanding at a finance company at yearend into four "types of business" categories: (1) consumer-retail and real estate; (2) commercialindustrial; (3) industrial and equipment leasing; and (4) factoring. The 10 largest companies in each category are given. In the case of leasing companies, only the 10 largest nonbankrelated companies.

Receivables are reported net of loan losses and unearned income, whenever possible. However, some companies, like GMAC, are unable to apportion loan losses and unearned income among the various categories, and these companies report gross receivables. In the case of GMAC, gross receivables are approximately $66 billion greater than net receivables.

For factoring companies, receivables are reported gross. In addition, "volume" figures, or receivables acquired during the year, are used.

### Definitions

The definitions used by the American Banker for its new listing of the 10 largest finance companies in four types-of-operations categories are given below.

**Receivables** include direct loans and paper purchased from manufacturers, wholesalers, and retailers. **Gross receivables** include unearned income and reserves for loan losses, while **net receivables** exclude unearned income and loan-loss reserves.

**Consumer-retail** and **real estate receivables** are those obtained through the financing of the consumer through direct cash loans or through the purchase of installment sales paper from dealers and retailers. Included are personal loans secured by second mortgages (real estate loans) and open end (revolving) credit.

**Commercial-industrial receivables** are those obtained through the financing of small- and medium-size businesses, including agribusinesses, through secured short-term loans. In most cases, a firm offers its accounts receivable as security, and the lending arrangement is called "accounts-receivable financing." Inventories or plant equipment also may be used as collateral.

In addition to the short-term accounts-receivables financing, businesses aslo receive fundes on longer-term installment receivables by selling them to finance companies. These are **industrial-sales finance transactions.**

**Industrial/equipment leasing** is a type of asset-based lending where the lender owns the physical asset to be financed. Generally, longer-term fixed assets are financed by finance companies via leasing.

**Factoring** is a type of asset-based lending where the lender buys the borrower's receivables and extends funds prior to their collection. The factor usually collects the receivables on a nonrecourse basis. ■

# Finance Companies More Than Just Last-Resort Lenders

Continued from page 1

organization, all that remains is for the association's board to receive the application and vote. The group's leaders have already given their informal blessing to the alliance.

During the recent annual AFSA convention in Washington, D.C., chief executives of several key financial services firms were willing to detail some of the strategies they have taken or plan to take to compete in the future:

• Household Finance Corp., Prospect Heights, Ill., has merged 10 of its California consumer finance offices into its $130 million-deposit Household Federal Savings & Loan Association subsidiary, making them branches of the S&L. Household Federal is based in Westminster, Calif.

• Associates Corp. of North America, Dallas, has converted three California loan offices into branches of its affiliate, the $19 million-deposit Associates National Bank, Concord, Calif. There are about 100 more loan offices that could be converted if the experiment is a success. (Associates Corp. and Associates National Bank are both subsidiaries of Associates First Capital Corp., in turn a subsidiary of Gulf & Western Industries Inc., which was the first nonbank firm to buy a bank and spin off the commercial lending operations.)

• Associates First Capital Corp. has signed a letter of intent to purchase an additional depository institution, the $19 million-asset Heritage Federal Savings & Loan Association, Oakland, Calif., and is currently awaiting approval from the Federal Home Loan Bank Board.

• Associates National Bank has very quietly test-mailed 100,000 MasterCard applications to Associates Corp.'s customers in 10 western states. The response rate has been an unheard of 25%, which caused the finance firm's chief executive to note gleefully at the AFSA meeting, "We've discovered a market no one's ever looked at before and we know more about them than anyone. They're our customers."

• Customers of Avco Financial Services, Newport Beach, Calif., who do business with any of the company's industrial banks in Colorado can now use automated teller machines of other financial institutions in the Rocky Mountain Bankcard System. Rocky Mountain Bankcard is also involved in the national Plus network.

• Beneficial Corp., Wilmington, Del., which owns a group of insurance companies, has been test-marketing insurance to its finance company customers and intends to renovate or relocate most of its nearly 1,100 U.S. finance offices starting in the third quarter of 1983.

### Nothing Is the Same

Experimentation with new ideas is rampant in what once was known as the consumer finance industry. Industry leaders say that the old nomenclature is as outdated as the idea that it is still a snap to borrow a small amount of money unsecured from any of their companies.

Finn M.W. Caspersen, chairman of Beneficial Corp., was seriously wondering during the convention, "What is a finance company? I don't think there's any such thing anymore. We were the lenders of last resort. Our markets were primarily blue collar, high-risk customers who rented apartments.

"Now, the demographics have changed dramatically. Most borrowers are home owners," Mr. Caspersen observed, relating a focus common today among his counterparts at other finance firms. "And we see ourselves quite simply as retailers of money."

In the past five years, and especially since the new, liberal bankruptcy law became effective in the fall of 1979, finance companies have concentrated on granting second mortgage loans. These lines of credit, secured by home owners' equity, now account for some 50%-60% of the finance industry's total consumer outstandings. Moreover, most finance firms charge interest rates, especially on these credits, that are equal to or only slightly higher than banks.

Viewing the second mortgage as a core product, much as banks have perceived checking accounts, many finance firms plan to cross-sell future services to equity-line debtors.

While all of the major consumer finance firms mentioned here have

selected similar target markets, each company's focus differs slightly from the next. Beneficial, for example, sees its chief second mortgage market as consumers earning $15,000-$20,000 annually, owning their own homes, and, for the most part, living in the suburbs. But Mr. Caspersen describes the overall target as the "two and a half quartiles in the middle of the consumer market."

Household's market comprises those consumers earning $15,000-$50,000. William D. Hendry, president and chief executive of Household Finance Corp., describes them as "those 60% of middle America we have served for the past 100 years."

Associates Corp. primarily deals with families earning $12,500-$25,000, owning their own homes, and earning two salaries, while Avco's market for unsecured credit is made up of consumers earning about $14,000-$15,000 annually, and for secured credit, $18,000-$20,000.

Beneficial and Household both see Sears, Roebuck and Co. as their principal competitor, because, as Mr. Caspersen puts it, "they're in the same demographics."

Neither has any fear of being forced out of the market by Sears, however, just as long as the rules are the same for all players: "Sears is becoming a depository. So are we. We can borrow long or short term in the markets and so can they. As long as we all play on even ground insofar as funds costs are concerned, Household can perform competitively," Mr. Hendry projects.

### Owning a Bank

A strong need to address the issue of funds costs is one force behind the push by finance firms into the banking business. While some executives are not sure that, over the long term, consumer deposits will represent a cheaper source of funds than commercial paper and other alternatives, they want to be able to compete on every footing with traditional banking companies.

H. Wallace Merryman, chairman of Avco Financial Services, notes that "offering deposit products can help cement your relationship with the consumer." Yet his firm purchased the $25 million-deposit Anaheim (now Avco) National Bank in California, just for the purposes of housing and expanding the company's credit card business and exporting deregulated California interest rates. Avco has other alternatives for taking deposits.

Finn Caspersen says that the new Beneficial National Bank (U.S.A.), chartered in Wilmington only a few weeks ago, was also developed to house the company's nearly $300 million worth of credit card receivables and to act as a base from which the card business can be dramatically expanded in years to come.

Chartering this kind of bank without commercial lending operations in Delaware, Calif., as well as other states without loan rate restrictions also gives finance firms the capacity to export a high interest rate to credit card customers who live in other states.

Of course, Mr. Caspersen could also collect deposits in that institution, if he wanted to. But he says: "It seems silly to go after new products when we only have 1.5% of the total market for consumer loans [not including credit card outstandings]." Also, he adds, "We do making loans very well. Why should we go off into another business?"

To support his contention that Beneficial isn't currently interested in a broad-based deposit business, Mr. Caspersen points out that "30%-40% of consumers are uncomfortable with checking accounts" and "people who save and people who borrow are entirely different." Observers think Mr. Caspersen might sing another tune if commercial paper costs rise sharply again as they did in the late 1970s.

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# Finance Companies Stalk More Than Just Consumer Business

Continued from page 20

Conversely, Household's Mr. Hendry is very interested in consumer deposits — even today — because his goal is for Household "to be perceived as a consumer bank operation. To have under one umbrella all of the products consumers might need, including insurance."

However, Mr. Hendry, too, thinks "we don't want to totally depend on consumer deposits for future growth. That's why we won't chase every deposit." Household has owned the $90 million-asset Valley National Bank, Salinas, Calif., since 1981.

Household currently has about $310 million in deposits from consumers, accepted through its outlets in countries where banking is permitted. The firm operates in the U.S., the United Kingdom, Australia, and Canada.

Contrary to Mr. Caspersen's philosophy, Mr. Hendry remarks, "Any honest banker will tell you the best way to hold a customer is with a checking account. If we can offer that service, the checking customer will naturally turn to us if he or she needs a loan."

And, contrary to both of them, Mr. Merryman of Avco feels "checking deposits are too expensive. We'd rather have savings deposits." Nonetheless, he, too, sees any consumer deposit as a possibly viable alternative source of funds.

Reece A. Overcash Jr., chairman and chief executive officer at Associates Corp. of North America, Dallas, has a "big question in my mind as to whether it's a good idea to try and source funds through a deposit relationship with consumers at a cost lower than the total corporation can through commercial paper."

To find out, Associates is running a yearlong experiment taking deposits in three California loan offices it converted to branches of Associates National Bank. There are another 100 or so loan offices in that state which, thanks to a quirk in California law, can all be converted to deposit-taking thrift and loan branches, or into branches of Associates' bank, if the experiment works.

Furthermore, Associates is interested in acquiring Heritage Federal S&L as "an additional tool to deal with whatever this financial services world will be," Mr. Overcash says. The S&L, he adds, provides a "much more flexible franchise" at the moment than does the bank.

That flexibility is the factor which had Avco's Mr. Merryman quipping during AFSA's convention about converting the $25 million-deposit Avco National Bank into an S&L.

### The Fed's Dilemma

Why should an S&L be more attractive to a finance firm than a bank?

Because an S&L owned by a finance company can make commercial loans. The various consumer banks, or, as they have come to be called, nonbank banks, cannot.

Finance firms historically purchase a great number of retail sales contracts from hard goods dealers who sell televisions, refrigerators, cars, boats, and other consumer durables on credit. Such acquisitions represent a major avenue that most of these firms use to source new business, and it is a road that has been closed off to their consumer banks by a Federal Reserve Board opinion about what fact constitutes a commercial loan.

According to two of the officials at the recent convention, the Fed seems to have decided, at least for the moment, that the purchase of such retail installment credit contracts constitutes commercial lending and therefore is off limits to finance company banks.

"We ought to be able to get a clearer definition of what constitutes commercial lending. It doesn't make sense that buying a retail installment contract from a TV dealer is a commercial loan," Mr. Merryman reasons.

Household's Mr. Hendry agrees, only he uses refrigerator dealers as an example. Another executive complains that "it's essentially the same kind of transaction you have when a consumer uses a credit card to purchase goods on credit from a retail store that actually is advancing the credit and being reimbursed by the issuing bank or thrift."

Both Mr. Hendry and Mr. Merryman call the Fed's limitation on purchasing dealer paper "the biggest problem" they have at their consumer banks.

On the other hand, a finance firm's S&L not only gives it the ability to purchase dealer paper but also to acquire troubled associates across state lines. Household has been asked to bid on a few troubled thrifts, but so far, Mr. Hendry says, it hasn't. That doesn't mean it won't, he adds.

The company already owns Household Federal Savings & Loan Association and has applied to change the name to Household Federal Savings Bank, because "the connotation of 'bank' is broader than 'S&L,' " says Mr. Hendry.

"At the present time," he summarizes, "the S&L provides a better vehicle, a more here-and-now vehicle. Eventually, the bank may be just as good. We could always merge the bank into the S&L, but who knows what the future of deregulation will bring?

"We will be ready; we'll have in place various vehicles to take advantage of opportunities as they come along," Mr. Hendry explains.

Mr. Merryman was kidding when he discussed turning in his bank charter for an S&L charter but, depending on how things go at the Fed, it might not be a joke. "With the uncertainty concerning the commercial lending definition and the more liberalized rules for S&Ls, with the benefit of hindsight, a small S&L might have been a better entree into the world of deposit-taking," Mr. Merryman admits.

But, he isn't out to buy one now: "We've got enough on our plate at present; we don't need to start messing around with something else just for strategic insurance," he explains.

In addition to banks and S&Ls, all of the major finance companies have chartered industrial banks and thrift and loan associations in the eight states that permit them to operate. Mr. Merryman, for one, is anxious to see the results of his experiment involving Rocky Mountain Bankcard's ATMs.

All of the players in this industry see these little deposit-takers as yet another alternative in the event that true interstate banking is authorized by Congress.

"If interstate banking came, one alternative might be to turn the 626 offices of Avco Financial Services into branches of the Avco National Bank, but that might not be the way to go," Mr. Merryman hypothesizes.

Aside from performing some sleight of hand with his industrial banks and thrifts, Mr. Merryman's other alternative is technology, whether he rents transaction space for Avco customers on an existing system — such as is the case with Rocky Mountain Bankcard — or buys ATMs of his own.

Mr. Merryman is not alone in think-

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# Fruehauf Finance Company 1982 earnings

Fruehauf Finance Company, a wholly-owned subsidiary of Fruehauf Corporation, was organized in 1948 as a pioneer in truck-trailer financing. It now finances the sale and lease of truck-trailers, containers, cranes, and other transportation equipment. In addition, loans are made to customers for working capital and other business purposes.

A copy of the Company's Annual Report is available upon request. The following financial highlights summarize the past two years' operations of Fruehauf Finance Company:

| | 1982 | 1981 |
|---|---|---|
| Net Earnings | $ 14,232,454 | $ 16,136,534 |
| Finance Revenue Earned | 88,607,437 | 100,939,593 |
| Capital Funds Employed | 226,617,127 | 212,384,673 |
| Ratio of Earnings to Fixed Charges | 1.64 | 1.53 |
| Customer Receivables Acquired | 217,603,573 | 308,430,165 |
| Customer Receivables Liquidated | 399,062,016 | 318,227,430 |
| Customer Receivables Outstanding | 645,825,059 | 827,283,502 |
| Deferred Finance Revenue | 147,720,081 | 187,459,513 |

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## British . . .

Continued from page 2

between trade unionists and an admixture of liberal, middle-class intellectuals with mildly socialist leanings.

That coalition is now coming apart. The middle-class intellectuals have defected in large numbers to the Social Democratic Party, which has allied itself with the old Liberal Party. Meanwhile, the significant minority of trade unionists who traditionally voted conservative has almost certainly increased.

In those developments it is possible to see the beginnings but not as yet the shape of a new major party, which may come to embrace liberal conservatives, relatively conservative Labour voters, plus those who have already defected from both major parties to the alliance of Social Democrats and liberals. It is likewise possible that the Conservative Party may undergo another evolution, as it has in the past.

### Slow Evolutionary Process

But although shifts in the nature of the two-party system can be dimly perceived, the evolutionary process may prove a long one.

At the structural level, the Social Democrats, liberals, and other minority parities would like to see a shift towards proportional representation from the present system, under which 650 constituencies each elect their own member of Parliament. Under that system, the alliance of Social Democrats and liberals might wind up with 20% or more of the total vote, but less than 30 seats, or less than 5% of the seats in the House of Commons.

However, that is precisely why the major parties have consistently opposed proportional representation and can almost certainly be relied on to go on doing so.

There is however, an alternative, and it is possible that this is what a majority of the British electorate has consistently, if only instinctively, been trying to express.

The present system of government in Britain has been described by Lord Hailsham, a former lord chancellor, as "cabinet dictatorship." The electorate is free to change governments at intervals of not more than five years. But during those intervals, the country is effectively ruled by the executive, consisting of the cabinet and the strongly entrenched permanent civil servants whose knowledge of how the system operates, and how to operate it, far exceeds that of transient cabinet ministers.

Ordinary "back bench" members of Parliament are required by custom, though not by law, to vote dutifully for their party, which means that the government of the day can count on its majority almost without fail. It is true that a member of Parliament can "cross the floor" to vote against his own party, but in doing so, he leaves his party. The last time that members exercised their right of rebellion was during the crisis of 1940, when the country's life was literally at stake.

On that occasion, Parliament unseated Neville Chamberlain and put Winston Churchill in his place as prime minister. Yet a growing number of voices can be heard suggesting that party loyalties need and should not be as firmly held as they are now.

### Way of Disarming Cabinet

In that view, members of Parliament should be free to vote against their party on a particular issue without necessarily leaving their party, as in the U.S. Congress. The "dictatorship" of the cabinet would be broken, and the legislature would recapture some of its power from the executive, including the civil service.

In wooing the legislature, governments would be obliged to divulge more information to members of Parliament and the public than under Britain's highly secretive form of government.

It is a process that governments of whatever party would clearly try to resist, but there are some signs that it may be beginning to take place.

While Parliamentary committees still have no powers even remotely resembling those of congressional committees, they are slowly but surely extracting more information from reluctant cabinet ministers and public servants. Such a drift, toward a more open and democratic trading of interests, is the evolution most keenly desired by a vocal minority and also, perhaps, by a less articulate majority of British voters. ■

## Competition . . .

Continued from page 21

ing about the economies of technological service delivery. "As part of our long-range plans, we are looking into nationwide ATM networks. Remember, we have over 5,000 retail outlets in addition to finance offices nationwide," Mr. Hendry notes, discussing the holding company's (Household International) investment in Von's Supermarkets, Ben Franklin stores, and others.

"If you have plastic and ATMS, either your own or you belong to a switch, that's an advantage in the future world," Mr. Hendry says.

Beneficial is already experimenting with automated cash dispensers for its Command card customers in Ohio. The machines allow access via Beneficial's proprietary plastic to already established credit lines.

Mr. Caspersen says, "We expect to expand that experiment and have one of our banks join a national ATM network. The matter is under negotiation."

Mr. Overcash was the one industry leader, among those interviewed, who was not bullish on automated teller machines: "I'm not sure that technology isn't just a buzzword today. The more important words are 'economic feasibility,' " he insists.

In addition to their future plans for owning or participating in EFT enterprises, most major finance firms are in the process of revamping already sophisticated computer systems to do away with ledger cards and other pieces of paper that clutter up loan offices. Each company is prouder that the next of its system plans.

Household's representatives at the finance meeting were extremely proud of their soon-to-be-completed computer system. By yearend, Household will have completed installing its Century II system (named after the fact that the company has been in business more than 100 years).

Beneficial, which already has a highly advanced system, will spend $35 million-$40 million over the next three years upgrading its computer links. And Avco too will spend the next few years moving to a "cardless environment" via a total renovation of its computer system.

Like their counterparts in the banking industry which today are playing with such technologies, finance company officials will make these new systems marketing-oriented so that their employees can see at a glance the customer's entire relationship and history and can sell whatever seems appropriate from the arsenal of products and services currently being developed. ■

## Two Pennsylvania S&Ls Will Merge

**Special to the American Banker**

RED HILL, Pa. — State Capital Savings and Loan Association, Harrisburg, Pa., is planning to merge into Red Hill Savings and Loan Association headquartered in this Philadelphia suburb, under the name Prestige Financial Savings Association.

State Capital has $387 million in assets and 10 offices. Red Hill has $810 million in assets and 12 offices.

Robert B. Walker, president of Red Hill, said he expects regulatory approvals next month. He would continue as president. E. Leonard Ocks Jr., president of State Capital, would continue as president of the State Capital division of Prestige, J. Edward Weikert, a director and retired president of State Capital, would join the Prestige board.

Mr. Walker said no financial assistance would be involved, and other mergers are being discussed. ■


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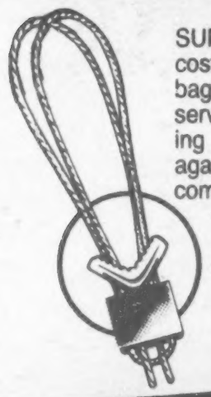

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# Top 100 . . .

Continued from page 1

last year; assets were up only 4.7%; commercial receivables outstanding at yearend dropped 0.1%; and finance company consumer installment credit was up only 5%.

The slowdown in finance company business resulted in a modest rise in the total capital funds of the top 100 companies to $36.1 billion on Dec. 31, up from $34 billion a year earlier.

Total capital funds consists of stockholders' equity, which includes retained earnings, and subordinated debt maturing in more than one year.

The slowdown in finance company business made it extremely difficult for the American Banker to conduct its annual survey, because a large number of companies chose not to provide data.

For example, four captive finance companies which ranked among the top 100 firms in 1981 did not participate. They were Sperry Financial Corp., New York, which ranked 27th in 1981 with $267.7 million in capital funds; Goodyear Financial Corp., Wilmington, Del., which ranked 43d with $123.4 million; Conoco Credit Corp., Ponca City, Okla., which was 46th with $106.8 million; and Singer Credit Corp., Stamford, Conn., which was 70th with $50.7 million.

In addition, Seafirst Commercial Corp., Lakewood, Colo., a subsidiary of Seafirst Corp., Seattle, chose not to participate. Seafirst Commercial was the 123d largest finance company in 1981 with $8.7 million in capital funds.

Overall, of the 218 finance companies surveyed by the American Banker, 85 companies, or 39% of the reporting panel, chose not to participate. Usually, a 20% noncompliance rate is the norm.

In addition to the companies that did not report, the data for Security Pacific Finance Group, San Diego, Calif., a subsidiary of Security Pacific Corp., Los Angeles, was received after the reporting deadline. For that reason, it is not included in the listing of the 100 largest finance companies. However, it is listed in the bank-related finance company table on page 16.

At yearend, Security Pacific Finance had $482 million in capital funds — $288 million in capital and surplus and $194 million in subordinated debt — which makes it the largest bank-related finance company and the 23d largest overall.

The company had $1.596 billion in net receivables at yearend; total assets of $1.801 billion; net income of $28.3 million; deferred income of $175 million; gross receivables acquired in the year of $506 million; and $417 million in bank credit lines.

In 1981, Security Pacific Finance ranked 23d in the nation with $382 million in capital funds, and it was also the largest bank-related finance company. The sharp 26% gain in capital funds is attributable to its acquisition last September of Postal Finance Co., Sioux City, Iowa. Postal Finance had $86 million in capital funds at yearend 1981 to rank 55th in the nation.

### GMAC Is Number One

General Motors Acceptance Corp., Detroit, the financing arm of General Motors Corp., is the largest finance company in the nation, based on five measures: capital funds — the traditional measure of finance company size; total assets; consumer receivables; commercial receivables; and net income.

GMAC had capital funds of $6.0 billion at yearend 1981, which is more than twice the amount of Ford Motor Credit Corp., Dearborn, Mich., the nation's second largest finance company. FMCC, the financing arm of Ford Motor Co., had $2.9 billion in capital on Dec. 31.

GMAC had assets totaling $44.4 billion at yearend, making it almost three times larger than FMCC in this measure of finance company size. FMCC was second with assets of $16.2 billion.

GMAC with $35.6 billion in consumer receivables is more than three times larger than FMCC, which also placed second in this category with $11.0 billion. GMAC's consumer receivables makes it larger than the largest banking company in consumer lending, Citicorp, New York, which had $27.3 billion in gross consumer loans at yearend.

A consumer receivable is either a direct cash loan to the consumer or purchased installment sales paper from consumer dealers or retailers.

### Larger than Bankers Trust

In addition, GMAC, with $12.8 billion in commercial receivables at yearend, is larger than the nation's eighth largest commercial bank lender to businesses, Bankers Trust Co., New York, which had $12.3 billion in commercial and industrial loans at yearend. FMCC again ranked second in this category with $4.1 billion in commercial receivables.

Commercial receivables are the financial company equivalent of loans to businesses.

Last year, GMAC earned $688 million, a gain of 88.4% from 1981 when it earned $365.2 million, to again top all finance companies in net income. FMCC posted a 22.9% gain in income to surpass Sears Roebuck Acceptance Corp., Wilmington, Del., as the second largest finance company in earnings with $228.9 million. Sears income dropped 17.1% last year to $201.8 million to rank third in income.

The survey also shows that, for the second consecutive year, Household Finance Corp., Prospect Heights, Ill., has moved down a notch in the rankings to fifth with $1.67 billion in capital funds. In 1981 it ranked fourth with $1.66 billion in capital, and in 1980 it ranked third with $1.58 billion.

General Electric Credit Corp., Stamford, Conn., a subsidiary of General Electric Co., is now the fourth largest finance company with $1.75 billion in capital, compared with $1.55 billion in 1981 when it ranked fifth.

### Other Survey Findings

• The top 100 finance companies consist of 62 independent or affiliated finance companies, with $17 billion in capital funds, and 38 captive finance companies with $19.1 billion.

Captive finance companies are those whose main activity consists in financing sales of their parent firm's products or services. Affiliated companies are subsidiaries of companies but are not captives.

• Of the 62 independent or affiliated companies, 21 are owned by domestic banking organizations. These 21 had $2.22 billion in capital funds, compared with $1.42 billion for 16 companies in this category a year earlier.

• Total capital funds of the 89 largest independent or affiliated companies in the survey totaled $17.3 billion, compared with $15.7 billion for 97 companies in the survey a year earlier.

• As mentioned above, Security Pacific Finance Group maintained its position as the largest bank-related finance company and the 23d largest overall, with capital funds of $482 million.

However, U.S. Bancorp Financial Inc., Portland, Ore., jumped into second place in the bank-related listing, and 24th in the overall ranking, with $408 million in capital funds. This compares with $17.7 million a year earlier when it was the 17th largest bank-related finance company and the 101st largest overall.

Also, U.S. Financial posted the largest gain in capital funds among the top 100 last year. The gain, which was over 2,000%, was attributable to the transfer of all of its parent's nonbank consumer services to the company at yearend.

• FinanceAmerica Corp., Allentown, Pa., dropped from second place to fourth place among bank-related finance companies, with $299 million in capital funds. The company, a subsidiary of BankAmerica Corp., San Francisco, was the 27th largest finance company overall. Manufacturers Hanover Consumer Services Inc., Huntington Valley, Pa., remained in third place with $340 million in capital funds.

• The fifth largest bank-related finance company is Citicorp Person-to-Person Inc., St. Louis, with $287 million in capital funds. The company, a subsidiary of Citicorp, New York, participated in the survey for the first time this year.

• Walter E. Heller International Corp., Chicago, again was the top factoring firm in the nation, with a factoring volume of $6.85 billion, up only 1.3% from $6.76 billion in 1981. In March, Heller sold its two finance units to Fuji Bank Ltd., Tokyo, for approximately $425 million.

• The top nonbank-related industrial and equipment lessor was General Electric Credit Corp., Stamford, Conn., with $3.4 billion in net leasing receivables. The net receivables of bank-related leasing companies are not shown this year. ■

# To Our Readers

The American Banker would appreciate your comments on the finance companies statistical tables in today's issue. Please answer the following questions and return the questionnaire to L. Michael Cacace, American Banker, One State Street Plaza, New York, N.Y. 10004.

**Title of Table**_____ **Date**_____

1a. How useful is this tabulation to you?

____ (A) Very Useful ____ (B) Quite Useful

____ (C) Somewhat Useful ____ (D) Not Useful

1b. Would you explain your response to Question 1a?

2. What do you think is **best** about this tabulation?

3. What do you **like least** about this tabulation?

4. How would you **change** this tabulation to make it more useful?

5. Who else in your company, by title, would find this tabulation useful?

**Name**_____ **Title**_____

**Company**_____ **Phone**_____

**Address**_____

# Reserve City Bankers Elect Officers

WASHINGTON — John F. McGillicuddy, chairman and chief executive officer of Manufacturers Hanover Trust Co., New York, has been elected president of the Association of Reserve City Bankers.

Mr. McGillicuddy, who will serve from 1983 to 1984, was elected at the association's annual convention held in Boca Raton. He succeeds Roger E. Anderson, chairman of Continental Illinois National Bank & Trust Co. Chicago.

John B.M. Place was elected vice president of the association. Mr. Place is chairman and chief executive officer of Crocker National Bank, San Francisco.

Four new directors were elected to serve three-year terms.

They are: J. David Barnes, chairman and chief executive officer of Mellon Bank, Pittsburgh; Bennett A. Brown, chairman and chief executive officer, Citizens and Southern National Bank, Atlanta; Lewis T. Preston, chairman and chief executive officer, Morgan Guaranty Trust Co., New York; and Carl E. Reichardt, chairman and chief executive officer of Wells Fargo Bank, San Franciso. ■

# Empire to Offer Brokerage Services

BUFFALO, N.Y. — Empire of America FS&LA here said it will make brokerage services available to its customers next month through a full-service firm it has acquired.

Services of William M. Cadden & Co., White Plains, N.Y., will be available starting July 11. Later, Cadden branches will be opened in some Empire branches. The subsidiary is licensed in 21 states, has branches in six locations on the East Coast, and a regional office here.

The $6.5 billion-asset Empire has 119 offices in New York, Michigan, Florida, and Texas. ■

# Community Bancorp Approval

ST. LOUIS — The Federal Reserve Bank of St. Louis has approved the application of Community Bancorp Inc., Manchester, Mo., to acquire 97.5% of the voting shares of Bank Bismarck, Bismarck, Mo., through a merger with B.O.B. Financial Corp., Bismarck. ■

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# American Banker

*The Only Daily Banking Newspaper*

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## Jackie Kleiner: Lawyer, Teacher, And the Bane of the 'Banksters'

By JERRY ADAMS

ATLANTA — Jackie Kleiner was looking for something else in his small law office when he found the plaque. Given to him by New York Law School, it declares him to be "Professor of the Year, 1977-78." A modest honor, but one that makes him proud.

### An Interview with . . .

The plaque is a milestone of Mr. Kleiner's comeback from financial ruin in 1977, when he declared bankruptcy after his real estate investments were caught in that market's collapse.

"That was a low point in my life," he told a recent visitor, "because I'd never failed at anything. I had to understand that I was far from perfect, that I'd made an error."

But he came back. In 1978, Mr. Kleiner began to borrow again, getting $435,000 for new real estate investments. Then he watched his loan rates, set at 1% above the prime rate, soar to as high as 21% at the same time that major corporations were getting loans at 3% or 4% below the prime.

He filed suit against First National Bank, Atlanta, the bank that lent him the $435,000, charging breach of contract. Then when First Atlanta came after him with the FBI and a federal grand jury, he got mad — and the nation's bankers have been regretting it ever since.

For Jackie Kleiner, attorney at law, turned his suit into a consumer-fraud crusade against the prime rate. He raised the stakes in the First Atlanta suit by petitioning successfully to make it a class action and to involve a federal racketeering law. He has filed or consulted on 31 similar suits now pending against other banks across the country.

And this January, he sued First Atlanta a second time, filing a personal suit that seeks $40 million in damages from the bank for impugning his reputation and threatening his livelihood.

"None of this would have happened if the bank hadn't taken the low road," he says.

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## High Court Rules Banks, Insurers Can Share Directors

### Overturns Lower Court Decision Citing Clayton Act Curbs

By ANDREW ALBERT

WASHINGTON — The Supreme Court, in a landmark decision, ruled Wednesday that corporate directors may serve simultaneously on the boards of major banking organizations and insurance firms.

In so doing, the high court handed a victory to the banking and insurance industries and ruled against federal antitrust officials who have been battling since 1975 to prove that such interlocking directorships violate antitrust laws.

The justices voted 5-3 to overturn a lower court decision that such "interlocking" directorates violate the 1914 Clayton Act governing antitrust matters. The Clayton Act specifically forbids individuals from serving simultaneously as directors of two or more large, competing companies.

Ironically, the decision comes at a time when several major insurance companies have announced their intention to operate consumer banks that do not make commercial loans — placing them in direct competition with banking institutions.

In Wednesday's decision — BankAmerica Corp. vs. U.S. — the Supreme Court supported the position of banks and insurance companies, arguing that Congress never intended the Clayton Act to apply to bank directors.

The case first reached the courts in 1975, when federal officials decided to challenge five individuals who held dual directorships linking three of the nation's largest banks with four of the largest insururance firms.

In the original suit, Justice Department officials argued that allowing such "management interlocks" would prove anticompetitive. Banks and insurance companies compete for the same loans, particularly as mortgage lenders.

Furthermore, government attorneys said about 40% of all insurance com-

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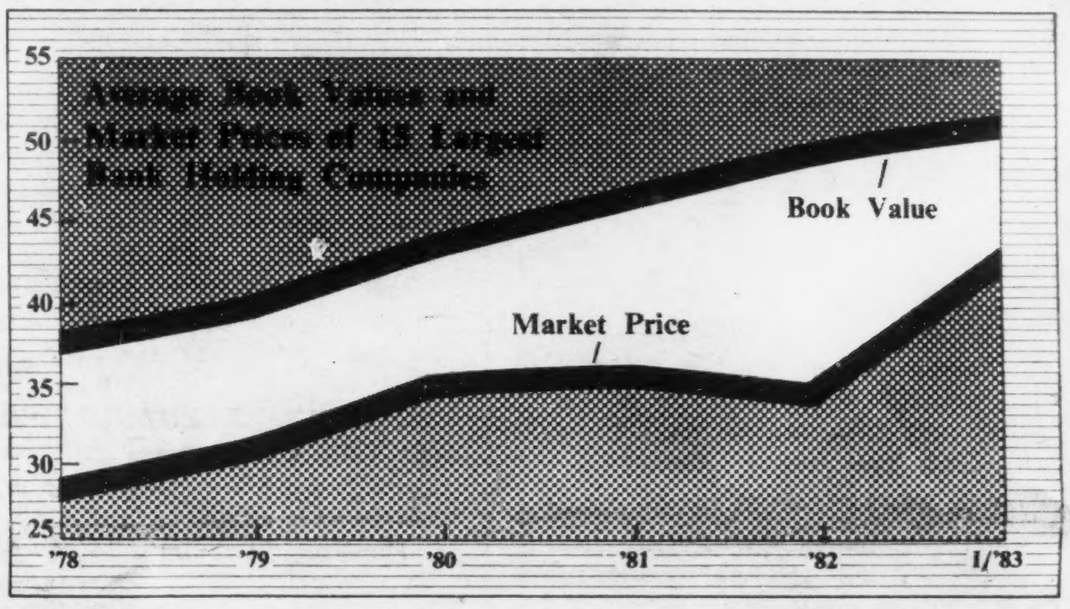


## The Market Is Ripe for Bank Stocks

By JOHN P. FORDE

NEW YORK — Last month underwriters for Chemical New York Corp., the nation's sixth largest bank holding company, offered over 3 million common shares to the public. It was the first such common stock offering by a major money center bank in three years.

Three other big bank holding companies also sold stock publicly in May, putting over $300 million in new common bank shares on the open market.

Some observers say that the recent issues, all of which were well received, are a signal to banks that the market

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"There is nothing sinister in so arranging one's affairs to keep taxes as low as possible. Everybody does so, rich and poor; and all do right, for nobody owes any public duty to pay more than the law demands: taxes are enforced exactions, not voluntary contributions. To demand more in the name of morals is mere cant."

Judge Learned Hand

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Trust Banking

# Bull Market Brings 20 More to Billion Dollar Shareholder List

By DAVID O. TYSON

NEW YORK — The list of billion dollar shareholders reflects the massive revaluation of financial assets that a bull market in stocks brings about. The ranks of such big investors grew by 20 institutions to 158 in the first quarter.

In the table on page 7 showing holders of more than $1 billion of equity, only 10 institutions reduced their stake in the stock market in the January-March period, according to the 13-F reports filed quarterly with the Securities and Exchange Commission.

Two others on the yearend 1982 list dropped out of the bottom of the table this time when the value of the stock holdings they report fell below the cutoff.

For the rest, stock holdings increased. In some cases, the gain exceeded the average increase in stock prices. In others, the gain was less. The benchmark Standard & Poor's 500 common stock index had a total return of 10.0% in the quarter, assuming dividends were reinvested.

Reasons other than higher or lower market prices can cause an increase or decrease. Examples are new accounts brought into an institution, old accounts withdrawn, a shift between holdings of bonds or other assets and stocks, distribution of estates, conversion of covertible debentures, exercise of warrants and options, and corporate acquisitions for cash.

Yet another reason is the continuing confusion over who reports what in the 13-F program which has been under way since the end of 1978. Most holding companies report for all their affiliates, but not all do so.

For example, eight investment companies in the Investors Diversified Services group file 13-F reports. Only one is on the billion dollar list — Investors Stock Fund Inc., ranked 139th with $1.17 billion assets. If IDS itself reported for all, it would rank 62nd with $3.02 billion.

**Morgan Still No. 1**

First Interstate Bancorp., Los Angeles, files a report for 20 banks in its system and is understood to have a more acute problem than most 13-F institutions in complying with the SEC requirements. It declines to say why the first quarter 13-F report shows a big drop in assets.

From December through March, the discretionary stock assets that First Interstate reports declined from $7.45 billion to $5.73 billion. It slipped from eighth to 19th in rankings.

In an increase that far exceeded the market average, Chemical New York Corp. rose from 22nd ranking to 13th as it reported discretionary stock holdings up by one-quarter, from $4.98 billion to $6.27 billion. Of the 158 billion dollar shareholders, 66 are banks, bank holding companies, or trust companies.

Chemical officers had no immediate comment on the reasons for the jump.

J.P. Morgan & Co. Inc., parent of Morgan Guaranty Trust Co., New York, remains the biggest shareholder of all by a wide margin. Its position in the stock market was valued at $14.49 billion on March 31, up from $13.70 billion on Dec. 31.

Morgan's investment in stock still is below its peak $16.7 billion at the end of 1980. The gap between those next in line has narrowed somewhat.

College Retirement Equities Fund, the variable annuity affiliate of Teachers Insurance & Annuity Association, remains the second largest with $11.63 billion, up from $10.61 billion.

And Bankers Trust New York Corp. still is ranked third, with $9.57 billion, up from $9.07 billion.

But Citicorp, parent of Citibank NA, slipped from fourth to seventh in the rankings, though its stock assets increased slightly from $8.09 billion to $8.13 billion.

**Two Name Changes**

Two institutions on the list filed under new names. CIC Asset Management, number 102 with $1.57 billion assets, is reporting now for Continental Corp., the largest casualty insurer. Value Line Inc., number 107 with $1.52 billion stock assets, is reporting for Arnold Bernhard & Co.

One of the newcomers to the billion dollar club is Merrill Lynch Asset Management, which is managing fewer money market fund assets and more equity fund assets these days. It reported $1.07 billion to the SEC, up from $314 million at the end of 1982.

Such investment counseling firms enjoyed some of the biggest gains. T. Rowe Price Associates, the Baltimore firm, moved up from 11th to ninth place. Fayez Sarofim & Co., Houston, got back into the top 10, moving up from 13th to 10th.

Institutions with investment discretion over at least $100 million of equity are required to report such holdings to the SEC within 45 days after the end of each quarter. They use Form 13-F for the purpose.

Equity holdings which are both below 10,000 shares and less than $200,000 in market value are exempt. Consequently, the 13-Fs may understate the total holdings of a bank or other institution.

The 13-F form asks for convertible securities as well as common stock. But Computer Directions Advisors Inc., which has a contract with the SEC to collate the 13-F reports, shows only common stock holdings when it publishes the totals each quarter in Spectrum 3 and Spectrum 4.

CDA furnishes American Banker a list of reporting institutions with the value of their holdings. The billion dollar list is derived from that. ■

## Money Market Mutual Funds

June 7, 1983

The table below presents certain statistics as of the date indicated for money market mutual funds whose shares are held largely in trust accounts. The information includes the fund size in millions of dollars, average portfolio maturity, percent of portfolio due in seven days or less, and the rates of total return for the preceding seven and 30 days. The table is compiled by Joanne M. Bitterman.

| | Size $ Mil. | Average Maturity (days) | % due 7 Days or less | % Rate of Return 7-day | 30-day |
|---|---|---|---|---|---|
| Dreyfus Money Market Instruments: | | | | | |
| Money Market Series | 1,199.6 | 61 | 25 | 8.2 | 8.2 |
| Dreyfus Institutional Money Market Fund: | | | | | |
| Government Securities Series | 716.3 | 83 | 22 | 8.1 | 8.1 |
| Money Market Series | 550.0 | 75 | 13 | 8.3 | 8.3 |
| Federated Group: | | | | | |
| Federated Master Trust | 3,209.0 | 29 | 23 | 8.3 | 8.2 |
| Money Market Trust | 2,338.2 | 27 | 23 | 8.2 | 8.2 |
| Trust for Short-Term U.S. Govt. Sec. | 7,232.6 | 43 | 32 | 8.2 | 8.1 |
| Trust for U.S. Treasury Obligations | 2,053.4 | 38 | 17 | 8.1 | 8.0 |
| Fidelity Money Market Trust: | | | | | |
| U.S. Government Portfolio | 692.5 | 37 | 17 | 8.2 | 8.1 |
| Domestic Money Market Portfolio | 1,493.2 | 24 | 26 | 8.2 | 8.3 |
| Treasury Portfolio | 203.4 | 11 | 80 | 8.4 | 8.1 |
| Institutional Liquid Assets: | | | | | |
| Prime Obligations Portfolio | 2,953.4 | 35 | 18 | 8.3 | 8.3 |
| Government Portfolio | 1,248.1 | 34 | 40 | 8.2 | 8.2 |
| Treasury Portfolio | 259.0 | 34 | 40 | 8.3 | 8.2 |
| Merrill Lynch Group: | | | | | |
| Merrill Lynch Institutional Fund | 1,082.3 | 39 | 25 | 8.1 | 8.1 |
| Merrill Lynch Government Fund | 1,572.6 | 44 | 7 | 7.7 | 7.8 |
| Scudder Cash Investment Trust | 948.2 | 35 | N.A. | 7.7 | 7.7 |
| Shearson/American Express Group: | | | | | |
| TempFund | 3,473.7 | 36 | 15 | 8.4 | 8.4 |
| FedFund | 1,563.6 | 34 | 35 | 8.3 | 8.3 |
| T-Fund | 857.3 | 33 | 34 | 8.3 | 8.2 |
| TrustFunds Liquid Asset Trust: | | | | | |
| Treasury Portfolio | 673.1 | 39 | 32 | 8.2 | 8.1 |
| Agency Portfolio | 183.3 | 29 | 26 | 8.1 | 8.1 |
| Commercial Portfolio | 106.0 | 31 | 18 | 8.3 | 8.3 |
| Prime Obligations Portfolio | 558.1 | 38 | 19 | 8.3 | 8.2 |

Text

# Harris Municipal Fund Reached Top by Using Bond Swaps

**Relying on swapping, Harris Trust & Savings Bank had the best performing long-term municipal bond fund among the largest trust departments in the five years through the first quarter.**

**In this internal memorandum, the manager of the fund — Bentley M. Myer, assistant vice president — explains what bond swaps are all about in a collective trust for beneficiaries looking for tax exemption.**

Much has been written about the various types of swaps that can be undertaken in a managed bond fund. More recently, computer-driven bond simulation models have been developed to evaluate the total rate of return implications from a variety of different swaps.

However, the one aspect that most of this information has neglected is a method of looking at bond swaps within a total portfolio strategy. Our approach is to look at bond swaps within a cyclical period of time, taking into account the upward cycle of interest rates as well as the downward cycle of interest rates.

We are primarily motivated to do this since we have two interests that must be served in our tax-exempt common trust fund; that is, income beneficiary interests and principal remainder interests. Therefore, any swap made should not ultimately benefit one of these groups at the expense of the other.

Our approach begins by attempting to divide an interest rate cycle into two parts. In the first instance, we look at the upward leg of interest rates, similar to the one we have seen for about the last five years.

As this cycle develops we look, in an incremental way, to take advantage of this rising period of interest rates by passing through higher and higher amounts of tax-exempt income to our fund holders, to the temporary detriment of the remainder.

Specifically, we look at swaps that attempt to accomplish several things. They should increase coupon income (increase current return) and, given a positively-sloped yield curve, pick up incremental amounts of yield to maturity (assuming there is no change in overall quality.)

One of the results of these kinds of trades during an upward leg in interest rates is the distribution of losses to the fund holders which is necessary to take advantage of the rising level of interest rates. Every effort is made to maintain that par value and we utilize any cash reserves we may have to maintain that par value.

We then look at what the payback period is (on a present value basis) for the incremental income stream necessary to pay for the dollars added to maintain par value. In this way we provide current income benefits to fund holders who otherwise would be invested in individual tax-free bonds that would keep the same coupons yet may show significant amounts of unrealized losses during most of the term in those bonds.

**In for Entire Cycle**

One other thing that we consider is what happens to the fund's price volatility (or duration) through swaps such as these. By keeping the maturity extension to a minimum level and providing a fairly large pickup in the coupon we have, for the most part, maintained the average duration of the fund and in some cases actually reduced that duration.

This whole proce is reversed as interest rates decline in a cyclical

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# NOTE

ONLY THE FOLLOWING PAGES OF THIS

PUBLICATION HAVE BEEN FILMED

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